



February 26, 2023

SUMMARY OF BILL: Requires each local school board to establish a school lunch program and a school breakfast program that provides a free breakfast and lunch to each student enrolled in a school under the board's jurisdiction. Requires the state to reimburse each local education agency (LEA) the cost of providing a free breakfast and lunch to each student enrolled in the LEA after all federal funds have been applied.

Revises the current requirement for LEAs to establish a process to waive school fees students who receive free or reduced-price school lunches, to apply to those students who meet the eligibility requirements to receive free or reduced-price lunches as determined pursuant to 42 U.S.C. § 1758.

FISCAL IMPACT:

Increase State Expenditures - \$714,784,700/FY23-24 and Subsequent Years

Other Fiscal Impact – LEAs establishing a free breakfast and lunch may incur a loss in local revenue. However, the extent and timing of any such loss cannot be reasonably determined.

Assumptions:

- Pursuant to the Tennessee School Nutrition Act, schools must establish a breakfast and lunch program for free or reduced-price lunches to the extent that federal funds are available.
- The United States Department of Agriculture (USDA) reimburses LEAs for the cost of free meals to certain students.
- There are approximately 993,178 students in grades pre-kindergarten through 12 (Pre-K-12).
- The average total cost for a school to provide one student breakfast and lunch is \$6.23.
- There are 180 instructional days in a school year.
- It is estimated that the total cost to provide all Pre-K-12 students breakfast and lunch each day for the entire school year will be \$1,113,749,809 in FY23-24 and subsequent years (993,178 x \$6.23 x 180).
- Based on reimbursements for the month of October 2022, the projected USDA reimbursement for LEAs is estimated to be \$399,220,040 statewide in FY22-23.

- The total cost for the state to reimburse LEAs for providing free breakfast and lunch for all students will increase state expenditures by \$714,529,769 in FY23-24 and subsequent years (\$1,113,749,809 - \$399,220,040).
- DOE will require three additional Education Consultant 2 positions beginning in FY23-24 to manage the expanded program.
- There will be a recurring increase in state expenditures of \$254,970 [(\$66,600 salary + \$18,390 benefits) x 3 Education Consultant 2 positions] in FY23-24 subsequent years.
- The total increase in state expenditures is estimated to be \$714,784,739 in FY23-24 and subsequent years (\$714,529,769 + \$254,970).
- LEAs that provide free breakfast and lunch to each student may incur a loss in local revenue if reimbursement amounts are less than what the LEA would have otherwise charged. However, the extent and timing of any such loss cannot be reasonably determined.
- It is assumed that revising the waiver of school fees to apply to all students eligible to receive a free or reduced-price lunch will not significantly impact the number of students that qualify and receive a waiver for the specified school fees.

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.



Krista Lee Carsner, Executive Director

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